



County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

PATRICIA S. PLOEHN, LCSW
Director

June 12, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Board of Supervisors
GLORIA MOLINA
First District
YVONNE B. BURKE
Second District
ZEV YAROSLAVSKY
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**REQUEST TO APPROVE AMENDMENT NUMBER ONE TO EXTEND TWO
COMMUNITY TREATMENT FACILITY AGREEMENTS
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

**JOINT RECOMMENDATION WITH THE CHIEF PROBATION OFFICER AND THE
DIRECTOR OF THE DEPARTMENT OF MENTAL HEALTH THAT YOUR BOARD:**

1. Approve and delegate authority to the Director of Department of Children and Family Services (DCFS), the Director of the Department of Mental Health (DMH), and the Chief Probation Officer of the Probation Department (Probation) or their designees, to execute Amendment Number One, in substantially similar form to Attachment A, with Star View Children and Family Services, Inc. (Star View) to Agreement Number 06-024-01, and Vista Del Mar Child and Family Services (Vista Del Mar) to Agreement Number 06-024-02, to extend the terms of the Community Treatment Facilities (CTF) Agreements for one year effective July 1, 2007 through June 30, 2008 for the provision of CTF services at the cost of \$2,057,280. The cost of the contracts will be financed using approximately 30% State revenue and 70% net County cost (NCC). Sufficient funding is included in the FY 2007-08 Proposed County Budget.
2. Instruct the Director of DCFS to notify your Board and the Chief Administrative Office (CAO) in writing within ten (10) working days of executing the Amendments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The recommended actions will enable the Departments to continue providing CTF services. The current CTF Agreements with Star View and Vista Del Mar were approved and adopted by your Board on June 27, 2006. The current term of the Agreements procured by negotiation for one (1) year will expire on June 30, 2007. Without approval of the recommended actions, CTF services will no longer be available to seriously emotionally disturbed children being served by this program.

"To Enrich Lives Through Effective and Caring Service"

The California Department of Social Services (CDSS) has approved DCFS' request to extend the CTF Agreement with Star View and Vista Del Mar for an additional twelve (12) months (Attachment B and C) from July 1, 2007 through June 30, 2008. CTF services commenced when the County of Los Angeles executed the original Agreements with Star View and Vista Del Mar on November 6, 2001 and April 10, 2001, respectively. These Agreements expired on June 30, 2004. Subsequent Agreements for contract periods from July 1, 2005 through June 30, 2006 were reached through procurement by negotiations.

The current contracts were based on the previous CTF contract and updated to include new required Board and fiscal provisions from the Master Agreements for Group Home Foster Care Services. The new Agreements provide continued CTF services, as well as an opportunity for DCFS to procure a consultant to conduct a study and identify the important components of a CTF program such as the profile of CTF residents, treatment and length of stay, intake and screening process, care and supervision staffing, and the pros and cons of a no eject/reject policy.

The consultant's preliminary report has recently been obtained and recommendations from the report will be utilized to develop specifications of treatment models to serve the youth in CTFs. This requires additional time to ensure appropriate treatment models are developed.

This Board letter does not comply with the Board's policy requiring timely submission of contracts to your Board for approval. Late submission is the result of program discussion to align and schedule coordinated efforts for the development of treatment models.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan, Goal #1 (Service Excellence) and Goal #5 (Children and Families Well-Being). The recommended actions will provide children with placement and treatment services such as educational program needs and medical, dental and psychiatric care to ensure their well-being. The recommended actions will ensure that services will continue without interruption.

FISCAL IMPACT/FINANCING

The estimated cost to extend the Agreements from July 1, 2007 through June 30, 2008, is approximately \$2,057,280. There will be no change in the supplemental rates payment to the providers for this extension period. Both Star View and Vista Del Mar will be reimbursed at the Rate Classification Level (RCL) 14 rate of \$6,371 per child per month, which is paid through Aids to Families for Dependent Children – Foster Care (AFDC-FC) funds. In addition, both providers will also continue to receive an agreed upon supplemental rate of \$2,500 per month per child. Vista Del Mar will continue to receive an additional supplemental rate of \$1,260 per month per child. This additional supplement rate was approved by the Board on July 23, 2002 to assist the provider who was then operating at a loss due to inability to operate at full bed capacity. The supplemental rates are 100% NCC. The total cost per month for each child in Star View and Vista Del Mar is \$8,871 and \$10,131, respectively.

The CTF occupancy rate for both providers is at 90% of their licensed bed capacity. This occupancy rate is reflected in the cost to extend the Agreements.

The supplemental rates are financed entirely using NCC. The RCL 14 rate is financed by State funding and NCC. Sufficient funding to cover the costs is included in the FY 2007-08 Proposed County Budget. The costs will be financed using approximately 30% State revenue and 70% NCC.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Superior Court gives responsibility for the care, custody, and control for each dependent child to DCFS, and for each ward to Probation. There is no court involvement with DMH clients; parents voluntarily place their child. The recommended actions will allow CTF contractors to provide continuous services and treatment to our seriously emotionally disturbed children being served by the program.

Star View and Vista Del Mar are the only two facilities licensed by CDSS to provide CTF services in Los Angeles County.

Star View and Vista Del Mar have agreed to extend the current Agreements for twelve (12) months period, effective July 1, 2007 through June 30, 2008 with no rate increase or change in the scope of services.

The Living Wage Ordinance, Local Small Business Enterprise Prompt Payment Program, Local Small Business Enterprise Program, and Transitional Job Opportunity Preference Program, which are Board required provisions, do not apply to these Agreements.

The CAO and County Counsel have reviewed this Board letter and Amendment. County Counsel has approved this Amendment as to form, and the CAO has approved this Board letter for filing.

CONTRACTING PROCESS

There is no additional contracting process needed for this action.

DCFS requested and received approval from the State to extend the current CTF Agreement for an additional one-year term from July 1, 2007 through June 30, 2008.

IMPACT ON CURRENT SERVICES

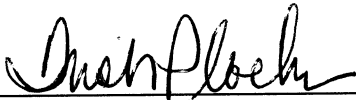
Approval of this Amendment Number One will allow the continuation of CTF services to be provided without interruption pending the development and implementation of the new CTF contract.

CONCLUSION

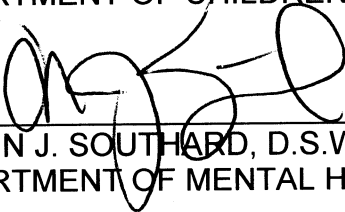
Upon approval of this Amendment Number One by your Board, it is requested that the Executive Officer/Clerk of the Board send a copy of the adopted Board Letter and the Form Amendment to:

1. Department of Children and Family Services
Contracts Administration
Attention: Walter Chan, Manager
425 Shatto Place, Room 400
Los Angeles, CA 90020
2. Department of Mental Health
Contracts Development and
Administration Division
Attention: Richard Kushi, Chief
550 S. Vermont Avenue
Los Angeles, CA 90020
3. Probation Department
Contract Management Division
Attention: Yolanda Young, Director
9150 E. Imperial Hwy
Downey, CA 90242
4. Office of the County Counsel
Social Services Division
Attention: Diane A. Cachena
201 Centre Plaza Drive
Monterey Park, CA 91754

Respectfully submitted,



PATRICIA S. PLOEHN, LCSW, DIRECTOR
DEPARTMENT OF CHILDREN AND FAMILY SERVICES



MARVIN J. SOUTHARD, D.S.W., DIRECTOR
DEPARTMENT OF MENTAL HEALTH



ROBERT B. TAYLOR, CHIEF PROBATION OFFICER
PROBATION DEPARTMENT

PP:SK:CC:WC:RML:sm

Attachment (3)

c: Chief Administrative Officer
County Counsel



AMENDMENT NUMBER ONE
TO
COMMUNITY TREATMENT FACILITY SERVICES CONTRACT
BETWEEN
COUNTY OF LOS ANGELES
AND

JULY 1, 2007

AMENDMENT NUMBER ONE TO AGREEMENT WITH

REFERENCE IS MADE TO THE DOCUMENT ENTITLED "COMMUNITY TREATMENT FACILITY AGREEMENT WITH _____ ADOPTED BY THE BOARD OF SUPERVISORS ON JUNE 27, 2006, AND HEREINAFTER REFERRED TO AS "AGREEMENT".

Effective July 1, 2007;

1. Section 7.0 **TERM**, is amended to add Subsection 7.4 as follows:

7.4 The term of this Agreement shall continue from July 1, 2007 through June 30, 2008, unless terminated earlier as provided herein.

2. Section **11.0, RECORDS AND AUDITS – FINANCIAL**, Subsection 11.2, 11.9 and 11.10 are hereby amended to read as follows:

11.2 CONTRACTOR agrees that the COUNTY, or its authorized representatives, the State of California, or its authorized representatives, or the Federal Government, or its authorized representatives, including, but not limited to, the U. S. Comptroller General, shall have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent transaction, activity, or records relating to this Contract. All financial records, supporting documents, statistical records, and all other records pertinent to the award and performance of this Contract, including, but not limited to, all timecards and other employment records and confidential information, shall be kept and maintained by CONTRACTOR at a location in Los Angeles County and shall be made available to COUNTY, State or Federal authorities, during the term of this Contract and either for a period of five (5) years after the expiration of the term of this Contract or for a period of three (3) years from County's final payment under the Contract whichever date is later. If before the expiration of that time period, any litigation, claim, financial management review, or audit is started, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken. If such material is located outside of Los Angeles County, then, at COUNTY's sole option, CONTRACTOR shall pay COUNTY for travel per diem and other costs incurred by COUNTY in exercising its rights under this Section. CONTRACTOR shall maintain all records in accordance with California State records and retention regulations including the provisions of California Department of Social Services Manual, Section 23-353.

- 11.9 Failure on the part of the CONTRACTOR to comply with any of the provisions of this Section shall constitute a material breach of this Contract upon which the COUNTY may terminate or suspend this Contract.
- 11.10 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the COUNTY conduct an audit of the CONTRACTOR regarding the work performed under this Contract, and if such audit finds that the COUNTY's dollar liability for any such work is less than payments made by the COUNTY to the CONTRACTOR, then the difference shall be either: a) repaid by the CONTRACTOR to the COUNTY by cash payment upon demand or b) at the sole option of the COUNTY's Auditor-Controller, deducted from any amounts due to the CONTRACTOR from the COUNTY, whether under this Contract or otherwise. If such audit finds that the COUNTY's dollar liability for such work is more than the payments made by the COUNTY to the CONTRACTOR, then the difference shall be paid to the CONTRACTOR by the COUNTY by cash payment, provided that in no event shall the COUNTY's maximum obligation for this Contract exceed the funds appropriated by the COUNTY for the purpose of this Contract.

ALL OTHER TERMS AND CONDITIONS OF THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

AMENDMENT NUMBER ONE TO AGREEMENT WITH

IN WITNESS WHEREOF, the Board of Supervisors of the COUNTY of Los Angeles has caused this Amendment Number One to be subscribed on its behalf by the Director of the Department of Children and Family Services, Director of the Department of Mental Health, and the Chief, Probation Officer, Probation Department and the CONTRACTOR has subscribed the same through its authorized officers on _____ 2007. The person signing on behalf of the CONTRACTOR warrants under penalty of perjury that he or she is authorized to bind the CONTRACTOR.

COUNTY OF LOS ANGELES

CONTRACTOR

PATRICIA PLOEHN, LCSW, DIRECTOR
Department of Children and Family Services

By _____

Name _____

MARVIN J. SOUTHARD, D.S.W., DIRECTOR
Department of Mental Health

Title _____

By _____

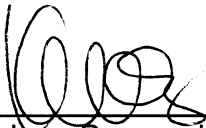
Name _____

ROBERT B. TAYLOR, CHIEF PROBATION OFFICER
Probation Department

Title _____

Tax Identification Number

APPROVED AS TO FORM:
BY THE OFFICE OF COUNTY COUNSEL
RAYMOND G. FORTNER, JR., COUNTY COUNSEL

BY  _____
Kathleen Bramwell, Principal Deputy County Counsel



PATRICIA S. PLOEHN, LCSW
Director

County of Los Angeles DEPARTMENT OF CHILDREN AND FAMILY SERVICES

425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

April 27, 2007

Board of Supervisors

GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Ms. Carleen Kistler, Chief
Contracts and Financial Analysis Bureau
California Department of Social Services
744 "P" Street
MS -7-747
Room 700
Sacramento, CA 95814

Dear Ms. Kistler:

REQUEST FOR EXTENSION OF CONTRACTS WITH COMMUNITY TREATMENT FACILITIES PROVIDERS

The County of Los Angeles Department of Children and Family Services (DCFS) requests your approval for a 12-month extension of two Community Treatment Facilities (CTF) Services Contracts. These contracts were procured by negotiation and will expire on June 30, 2007. This request is made pursuant to California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP), Operations Manual, Division 23, Chapter 23-600, Purchase of Service, Sections 23-621.15.151 and 23-622.1.11. Section 23-621.15.151 indicates Contracts for periods longer than those stated above shall be allowed if Counties shall request extended contract periods in writing, and shall describe the program and cost benefits of a longer contract. Counties shall also describe the level of competition for such contracts in their area. Section 23-622.1.11, indicates a contract may be renewed provided approval of the original contract is required by the Board of Supervisors.

Reason for Extension:

The current one-year term contracts with the existing CTF providers, Star View and Vista Del Mar will expire on June 30, 2007. To address the needs of the youth at the CTFs in a new contract, the County obtained a consultant to perform a comparative study regarding CTF's, Group Home (GH) Rate Classification Level (RCL) 14, and Metropolitan State Hospital in Los Angeles County. The study was conducted with the

Ms. Carleen Kistler

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cooperation of the CTFs, some GH RCL 14 facilities, and Metropolitan State Hospital. Findings from the comparative study will address:

- The residential treatment needs of the youths in the program in addition to keeping them in a safe and stable environment.
- The needed care and supervision requirements to include the ideal staffing ratio for the CTF program.
- The establishments of an ideal length of stay for the youth in the program consistent with best practices and with a concurrent discharge plan.

Conclusion of the study was anticipated prior to negotiations with the CTF providers for a new contract commencing July 1, 2007. However, the finalized consultant's study has not yet been completed. A preliminary report from the consultant has indicated that there is a need for the specification of treatment models to serve the youth in the CTFs.

Based on the preliminary report, DCFS, Department of Mental Health (DMH), and the Probation Department (Probation) have agreed that DMH will address the mental health treatment needs of the youth in the CTF programs through contract negotiations with both Star View and Vista Del Mar possibly resulting in an amendment to their current DMH contracts. However, due to the numerous tasks involved in the identification of promising and best practice treatment models and the subsequent implementation of the new CTF contract, there is a need for the current contract to go beyond the normal limited one-year term that will end on June 30, 2007.

The requested 12-months extension is necessary to avoid a lapse in service and ensure that the children served by the program will not be neglected pending the development and implementation of the new contracts. The new CTF contracts are expected to be more responsive to the needs of each youth served by the CTF program. As required by State regulations, this requested extension will be submitted to the Los Angeles County Board of Supervisor for approval prior to implementation.

Name of the Vendors:

The current DCFS contracts for CTF services are with Star View Children and Family Services, Inc. (Star View) and Vista Del Mar Child and Family Services (Vista Del Mar), the only facilities licensed by CDSS for CTF services in Los Angeles County.

Nature of the Services:

The CTF contracts provide placement and treatment services for dependent children of DCFS, Probation wards, and Department of Mental Health clients. These children/wards/clients are those who are in need of placement and/or transition to a highly structured, safe and secure environments that provide additional services and

Ms. Carleen Kistler

April 27, 2007

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residential treatment beyond those provided by GH RCL 14 facilities. Star View serves 40 children/clients, and Vista Del Mar serves 24 children/wards/clients.

Current and Proposed Contract Term:

The current CTF contracts with the two providers will both expire on June 30, 2007. The proposed contract term would be for twelve (12) months from July 1, 2007 through June 30, 2008.

An extension of the current contracts would include updated Board required provisions and any additional legal mandates.

Background:

The County of Los Angeles executed the original contracts with Star View and Vista Del Mar on November 6, 2001 and April 10, 2001, respectively. The term of the current contracts follow previous contract terms of November 6, 2001 and April 10, 2001 through June 30, 2004 and negotiated contract terms of July 1, 2004 through December 31, 2004, January 1, 2005 through June 30, 2005, July 1, 2005 through December 31, 2005 and January 1, 2006 through June 30, 2006.

The current contract term of July 1, 2006 through June 30, 2007 was based on the latest CTF Contract that ended on June 30, 2006. This Contract was updated to include all the required Board provisions and the major Fiscal provisions from the latest approved Master Agreements for Group Homes.

The current contract also provided an opportunity to procure the services of a consultant to assist in the research and study of important issues regarding the CTF program such as: Profile of CTF residents; Treatment and length of stay; Intake and screening process; Care and supervision staffing, and No eject/reject policy.

Cost:

This requested extension is a firm-fixed price contract. There will be no change in the payment rate for this extension from the current contract. The estimated cost of the extension per month for the two contracts is \$171,440. The total cost to extend the two contracts for 12-months from July 1, 2007 through June 30, 2008 is approximately \$2,057,280. Sufficient funding is included in DCFS FY 2007-08 Proposed Budget. The costs will be financed using approximately 27.8% State revenue, and 72.2% Net County Cost (NCC). The additional supplemental rate of \$1,260 for Vista Del Mar is 100% NCC.

Ms. Carleen Kistler
April 27, 2007
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Should you or your staff have any questions or need additional information, please feel free to contact me at (213) 351-5685, or my staff, Rita Murgas-Lee, at (213) 351-5513.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Rita Murgas-Lee".

Walter Chan, Manager
Contracts Administration

WC:RML:bv

c: Kathy Farmer, Chief, CDSS Financial Management and Contracts Branch

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



May 4, 2007

Mr. Walter Chan, Manager
County of Los Angeles
Department of Children and Family Services
Contracts Administration
425 Shatto Place, Room 205
Los Angeles, CA 90020

Attn: Ms. Rita Murgas-Lee

Dear Mr. Chan:

SUBJECT: REQUEST FOR NEGOTIATED PROCUREMENT OF CTF SERVICES
CONTRACTS

Your letter of April 27, 2007 asks the approval of this Department for an extension of 12 months of two existing County contracts for Community Treatment Facility (CTF) services. Your request is approved.

The information you have provided with your request includes the following:

1. The County currently has contracts procured by negotiation with the two incumbent CTF providers (Vista Del Mar Child and Family Services and Star View Children and Family Services, Inc.). The incumbents are the only two providers licensed by this Department to provide CTF services in Los Angeles County.
2. The term of the current contracts is July 1, 2006 through June 30, 2007. The current contracts follow previous competitively-procured contract terms of November 6, 2001 and April 10, 2001 through June 30, 2004 and negotiated contract terms of:
 - a. July 1, 2004 through December 31, 2004;
 - b. January 1, 2005 through June 30, 2005;
 - c. July 1, 2005 through December 31, 2005;
 - d. January 1, 2006 through June 30, 2006;
3. The County is requesting approval to negotiate additional terms of 12 months because the County obtained a consultant to perform a comparative study regarding CTFs, Group Home (GH) Rate Classification Level (RCL) 14, and Metropolitan State Hospital in Los Angeles County. Conclusion of the study was

Mr. Walter Chan
Page Two

anticipated prior to negotiations with the CTF providers for a new contract commencing July 1, 2007. However, the finalized consultant's study has not yet been completed. Due to the numerous tasks involved in the identification of promising and best practice treatment models and the subsequent implementation of the new CTF contract, there is a need for the current contract to go beyond the normal limited one-year term that will end on June 30, 2007.

Your request is for approval to conduct a negotiated procurement with the two CTF providers. Of the eight allowable conditions for negotiated procurement under section 23-650, only two – subsections 23-650.17 and 23-650.18 – require prior State approval. Regulation subsection 23-650.15, which does not require prior approval of this Department, allows negotiated procurement:

.15 For services for which it is impracticable to secure competition. This requirement may be satisfied by one of the following:

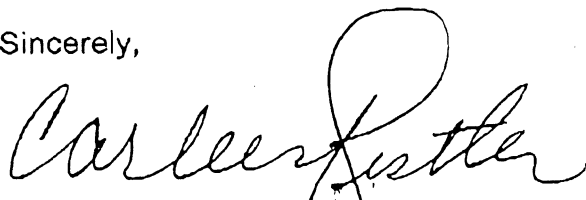
.151 When services can be obtained only from a single source. The determination of single source shall be established through a formal, publicly advertised, pre-bid survey to determine that only one source exists or only one source is willing and available to fulfill the contract.

.152 When bids or proposals have been solicited and competition is determined to be inadequate.

If the two incumbent providers are the only facilities licensed to provide CTF services in Los Angeles County, the County could potentially negotiate new contracts with them under authority of subsection 23-650.15. However, we have determined, based upon the information you submitted, that your request comes within regulation section 23-650.18. Our approval is for contract terms for the CTF services, procured by negotiation, of no more than 12 months for a period beginning on or about July 1, 2007.

Please contact me at (916) 657-1899 if you have any questions about this matter.

Sincerely,



CARLEEN KISTLER, Chief
Contracts and Financial Analysis Bureau